

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



May 28, 2004

ALL COUNTY LETTER NO. 04-22

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CalWORKs PROGRAM SPECIALISTS  
ALL CONSORTIUM PROJECT MANAGERS

**REASON FOR THIS TRANSMITTAL**

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY  
TO KIDS (CalWORKs) QUARTERLY REPORTING (QR)  
SYSTEM-MEDI-CAL ELIGIBILITY STATUS 3D AID CODE

REFERENCE: ASSEMBLY BILL (AB) 444 (CHAPTER 1022, STATUTES OF 2002),  
AB 1402 (CHAPTER 398, STATUTES OF 2003), ALL COUNTY  
LETTERS (ACLs) 03-18 and 03-46, ALL COUNTY INFORMATION  
NOTICE (ACIN) I-32-01

The purpose of this letter is to transmit instructions and information regarding cash-based Medi-Cal eligibility status for certain recipients in QR counties. This letter also includes a new aid code for Medi-Cal eligible individuals pending cash aid authorization.

It has been determined that a new aid code is necessary to authorize Medi-Cal benefits for family members that have been determined eligible for cash assistance but due to changes in the QR system will be added to the cash assistance unit (AU) at a later date. The aid code would reflect this individual's status as not on cash aid, but cash-linked Medi-Cal eligible because the individual has been determined to be eligible for CalWORKs. Current CalWORKs aid codes 30 and 35 cannot be used until the family member is actually added to the AU because those aid codes may incorrectly trigger the issuance of cash aid which could create an overpayment, and erroneously start the individual's 60-month time clock.

**BACKGROUND**

AB 444 (Chapter 1022, Statutes of 2002), as amended by AB 1402 (Chapter 398, Statutes of 2003) replaces the current monthly reporting and retrospective budgeting requirement with a quarterly reporting and prospective budgeting system for the CalWORKs and Food Stamp (FS) Program's eligibility determination. The bill provides specific requirements regarding reporting and the action counties will take in reviewing the reported information. California Department of Social Services (CDSS) is implementing these changes through ACLs with emergency regulations to be effective July 1, 2004. County conversion to QR is required to be completed no later than June 30, 2004.

## ADDING A NEW PERSON

Under current monthly reporting (MR) rules, a new member is added to an existing CalWORKs AU effective the date the person joins the AU or the date all eligibility conditions are met, whichever occurs later. The beginning date of aid for Medi-Cal coincides with the first of the month in which cash aid begins.

Under the new QR system, the new member (including newborns) will only be added to an existing cash AU effective the first of the month following the reported change, if adding the individual results in an increase to the grant for the AU. In situations where adding this new member to the AU would result in a grant decrease, the individual will not be added to the CalWORKs AU until the beginning of the next QR payment quarter based on information reported on the QR 7. Eligibility must be verified before adding these individuals to the CalWORKs case.

Medi-Cal eligibility rules remain unchanged. Medi-Cal for the new person will continue to be effective the first of the month the new person moved into the home, if otherwise eligible. The new person must meet all conditions of eligibility for CalWORKs and verification received in accordance with QR requirements, even though CalWORKs cash aid has not been authorized for the new person. (See below for exception for newborns)

A newborn whose mother is Medi-Cal eligible in a CalWORKs case at the time of birth is eligible to receive cash-linked Medi-Cal immediately, effective the month of the birth and pending receipt of necessary CalWORKs cash aid verification (e.g. birth certificate and QR 3). Therefore, in these newborn situations, when authorizing Medi-Cal for a newborn in the CalWORKs case, only information regarding date of birth, gender and the name of the newborn must be provided to the county verbally or in writing. See ACL 03-46 for additional information on newborns.

## AID CODE AND DEFINITION

The new aid code reflects the individual's status as not receiving cash aid, but cash-linked Medi-Cal eligible because the individual has been determined to be otherwise eligible for CalWORKs. The aid code and definition are: **3D CalWORKs Medi-Cal eligible**: CalWORKs Medi-Cal eligible pending cash grant authorization.

The new aid code is expected to be available for use by July 31, 2004. Pending the establishment of the 3D aid code, counties are instructed to use the current 3N 1931(b) Medi-Cal Only eligible aid code until final programming of the 3D is completed. Once programming of the 3D aid code is completed, counties will not be required to move any of the previous 3N cases to the new 3D aid code.

## FISCAL CLAIMING

The new 3D aid code will be used solely to identify the applicable population on MEDS. Time study requirements remain the same; county staff should continue to time study in the same manner as prior to QR and the establishment of the new 3D aid code.

## REFERRAL TO MEDI-CAL

Existing policies contained in ACIN I-32-01 requiring the referral of discontinued or denied CalWORKs applicants/recipients to Medi-Cal continue to apply.

If you have questions, please contact the program analysts listed below for the program area in which you are interested.

## CONTACTS

CalWORKs Eligibility

Rosie Avena  
CalWORKs Eligibility Bureau  
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Medi-Cal Eligibility

Helen Cahueque  
Medi-Cal Eligibility Branch  
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Fiscal Claiming

[fiscal.systems@dss.ca.gov](mailto:fiscal.systems@dss.ca.gov)

Sincerely,

***Original signed by  
Bruce Wagstaff on 5/28/04***

BRUCE WAGSTAFF  
Deputy Director  
Welfare to Work Division

c: CWDA  
CSAC